

Message Text

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ORIGIN EB-08

INFO OCT-01 EA-12 ISO-00 CTME-00 AGRE-00 CIAE-00
COME-00 INR-10 LAB-04 NSAE-00 SP-02 STR-07
TRSE-00 FRB-01 OMB-01 L-03 /049 R

DRAFTED BY EB/OT/TA:CBJACOBINI
APPROVED BY EB/OT/TA:HKOPP
EB/OT/TEX:WBREW
CUSTOMS:PGIGUERE
EA/PRCM:JBORICK
-----014582 300918Z /10

R 300046Z AUG 78
FM SECSTATE WASHDC
TO AMCONSUL HONG KONG
INFO USLO PEKING

UNCLAS STATE 219987

E.O. 11652: N/A

TAGS: EPAP, ETRD

SUBJECT: US DUTY AND THIRD COUNTRY COMPONENTS

REF: HONG KONG 11114

1. IN RESPONSE TO QUESTIONS REFTEL, AS A GENERAL RULE, A GOOD ACQUIRES THE ORIGIN OF THE COUNTRY WHERE IT WAS SUBSTANTIALLY TRANSFORMED. A GOOD HAS BEEN SUBSTANTIALLY TRANSFORMED IF IT HAS UNDERGONE A PROCESS THAT CHANGES IT FROM ITS COMPONENT PARTS TO A NEW PRODUCT. THUS, AS A GENERAL RULE, GOODS MANUFACTURED IN THE PRC FROM THIRD-COUNTRY (COLUMN 1) COMPONENTS BECOME A PRODUCT OF THE PRC AND PAY COLUMN 2 DUTY ON THE FULL VALUE. AS A GENERAL RULE, GOODS MANUFACTURED IN HONG KONG FROM PRC COMPONENTS BECOME PRODUCTS OF HONG KONG AND PAY COLUMN 1 DUTY ON THE
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FULL VALUE. HOWEVER, OPERATIONS OF ASSEMBLY, REPAIR, OR ALTERATION, OFTEN DO NOT CONSTITUTE SUBSTANTIAL TRANSFORMATION UNLESS THE OPERATION OF ASSEMBLY, REPAIR, OR ALTERATION IS SUBSTANTIAL AND THE VALUE ADDED BY THAT OPERATION IS SIGNIFICANT IN RELATION TO THE VALUE OF THE FINAL PRODUCT. THESE QUESTIONS ARE DECIDED ON A CASE-BY-CASE BASIS BY CUSTOMS, AND EXPORTERS OR IMPORTERS SHOULD

BE ADVISED TO DIRECT SPECIFIC QUESTIONS TO THE CUSTOMS

SERVICE. IF POST HAS QUESTIONS ABOUT WHETHER A SPECIFIC
MANUFACTURING OR ASSEMBLY OPERATION WOULD CONSTITUTE
SUBSTANTIAL TRANSFORMATION, WE WOULD BE GLAD TO ASK
CUSTOMS FOR AN OPINION UPON RECEIPT OF DETAILS. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COUNTERVAILING DUTIES
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Draft Date: 30 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
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Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Drafter: CBJACOBINI
Enclosure: n/a
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Film Number: D780353-1273
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978088/aaaaagcj.tel
Line Count: 68
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5bc1ea65-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Secure: OPEN
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TAGS: EPAP, ETRD, HK
To: HONG KONG
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